1951 **K** **File No.** O/Partnership/51

Legal Deptt

G **BRANCH**

Subject:— Opinions on the Partnership Act

(1) 2/E

File No. O/Partnership/51

Gen. 194 c.

6/1951

C O N T E N T S

Legal Department File No. C. Partnership/51.

Sr.No.	R.I./O.No.	Subject.	Pages.
		Opinions under the Indian Partnership Act, 1932.	
1.	C-514 22/10/51.	Section 20 Re: Making payment by Government to certain person who is the partner in a firm with which Government made certain contract.	1-8.

JPE.24/7/56.6c.

LEGAL DEPARTMENT.

Indian Partnership Act, 1932.

Section 20.

Section 20 of the Indian Partnership Act provides that the partners in a firm may, by contract between the partners, extend or restrict the implied authority of any partner. It further provides that not withstanding any such restriction, any act done by a partner on behalf of the firm which falls within his implied authority binds the firm unless the person with whom he is dealing knows of the restriction or does not know or believe that partner to be a partner. This provision would be applicable to the present case only if Government has entered into contract with the Mahad Nagothana Motor Transport as the financial partners are not partners in that firm. If, however, the contract is with M/s.R.Dayalji and Sons then the financial partners are not partners of M/s. R.Dayalji and Sons and this provisions would not apply; The reply is suggested by the Food Controller's office on the presumption that the contract is with M/s. R.Dayalji and Sons. However, in the preamble the word 'company' is used in relation to the Mahad Nagothana Motor Transport but the agreement is signed by R.Dayalji as partner of the compnay for and on behalf of M/s.R. Dayalji and Sons. If the contract is construed as being made with the Mahad Nagothana Motor Lorry Transport then notice will have to be taken of the restriction put by contract between the partners on M/s.R.Dayalji and Sons to the effect that he has no right to get the cheques received from the Food Controller's office cashed (condition 10) and the financial partners shall have the right to get the cheques stopped from Food Controller's office if M/s. R.Dayalji commits any breach in paying the cheques. In that case as the restriction has been now

Made.....

made known to Food Controller by the other partners, M/s. R.Dayalji has no authority to secure cheques from Government on production of truck delivery chits and the Food Controller should withhold payment of the cheques unless anduntil the other partners agree to such payment,

Id/- ...

Additional Secretary to Government.

U.R. to Food Controller No. G-514,

dated the 22nd October 1951.

JPE.25/7/56.4c.